

Message Text

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PAGE 01 BRUSSE 07426 171549Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-08 FRB-01 INR-10 NSAE-00 SP-02 STR-07 TRSE-00
LAB-04 SIL-01 OMB-01 AGR-01 L-03 /071 W
-----046729 180142Z /73

R 171455Z APR 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 0000
INFO ALL EC CAPITALS
USMISSION GENEVA

UNCLAS BRUSSELS 07426

USEEC

PASS AGRICULTURE ELECTRONICALLY
PARIS ALSO FOR USOECD
GENEVA ALSO FOR USMTN

E.O. 11652: N/A
TAGS: EAGR, EEC
SUBJ: EC CORN LEVIES

REFS: (A) BRUSSELS 15206; (B) 75 EC A-310; (C) 67 EC A-70

1. A CONTACT IN THE GRAIN TRADE HAS COMPLAINED TO US THAT
THE PRICES RECENTLY USED BY THE COMMISSION IN SETTING THE
IMPORT LEVY FOR CORN DO NOT REFLECT ACTUAL TRADING PRICES.
HE GAVE US THE FOLLOWING DATA CONCERNING THIS DISCREPANCY:

DATE	REPORTED PRICE	PRICE USED TO CALCULATE
	APRIL SHIPMENT	THE LEVY

MARCH 31	123.25	122.00
APRIL 3	126.00	124.50
APRIL 4	127.00	124.50

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 07426 171549Z

APRIL 5	127.50	126.25
APRIL 6	129.50	127.50
APRIL 7	130.00	127.50
APRIL 10	131.00	129.65

HE ALLEGED THAT THE COMMISSION WAS USING PRICES WHICH
HAVE NO FIRM SELLERS BEHIND THEM.

2. EC REGULATIONS REQUIRE THAT "CIF PRICES BE CALCULATED FOR ROTTERDAM ON THE BASIS OF THE MOST FAVORABLE PURCHASING OPPORTUNITIES ON THE WORLD MARKET". (COUNCIL REGULATION NO. 2727/75 -- REF. B). HOWEVER, COMMISSION REGULATION NO. 156/67 (REF. C), WHICH LAYS DOWN DETAILED RULES, SPECIFIES THAT THE MOST FAVORABLE "EFFECTIVE" PURCHASING OPPORTUNITIES SHOULD BE USED IN CALCULATING THE LEVY. FURTHERMORE, THIS REGULATION PERMITS THE COMMISSION TO IGNORE OFFER PRICES RELATING ONLY TO SMALL, NON-REPRESENTATIVE QUANTITIES.

3. IN RESPONSE TO OUR QUERY, COMMISSION OFFICIAL IN GRAINS DIVISION (DE GRUBEN) INSISTED THAT THE PRICES USED BY THE COMMISSION IN FIXING THE LEVY WERE VALID -- I.E., THAT THEY REFLECTED REAL PURCHASING OPPORTUNITIES. HE ASCRIBED THE PRICE DISCREPANCIES NOTED ABOVE TO A TIME LAG IN INFORMATION RECEIVED BY THE COMMISSION. ACCORDING TO HIM, PRICE QUOTATIONS ARE RECEIVED FROM THE MEMBER STATES CH MORNING, WITH INDICATIONS OF THE COMPANIES INVOLVED AND SOMETIMES QUANTITIES. THUS, PRICES USED IN LEVY CALCULATIONS LAG ABOUT ONE DAY BEHIND THE LATEST QUOTATIONS. DE GRUBEN SAYS THAT ADMINISTRATIVELY THIS IS THE BEST THE COMMISSION CAN DO. HE ALSO OPINED THAT IN THE CURRENT SITUATION OF A RAPIDLY RISING MARKET, THE TRADE HAD NO REAL GROUNDS FOR COMPLAINT. ASSUMING THEY WAITED SEVERAL DAYS BEFORE
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PAGE 03 BRUSSE 07426 171549Z

PRE-FIXING THE LEVY, THE LEVY WAS LIKELY TO BE BASED ON A HIGHER PRICE THAN THE ACTUAL PURCHASE PRICE OF THE CORN. HE ADDED THAT, IN THIS SITUATION OF RAPIDLY FLUCTUATING PRICES, THE COMMISSION HAD TO BE CAREFUL THAT THE SYSTEM DID NOT PERMIT THE TRADE TO UNDERCUT THE THRESHOLD PRICE FOR CORN BY TOO MUCH.

4. ACTION REQUESTED: WOULD APPRECIATE ADDRESSEE POSTS COMMENT IF THEY HAVE RECEIVED SIMILAR COMPLAINTS. ALSO, DO COMPLAINANTS HAVE ANY DOCUMENTATION OR EVIDENCE TO SUPPORT ALLEGATIONS IN PARA. 1?

5. IT SHOULD BE NOTED THAT SIMILAR TRADE COMPLAINTS WERE REPORTED IN OCTOBER 1977 (REF. A).HINTON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORN, IMPORTS, LEVIES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE07426
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780165-0033
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780451/aaaabquz.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e00028ad-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 BRUSSELS 15206
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2951382
Secure: OPEN
Status: NATIVE
Subject: EC CORN LEVIES
TAGS: EAGR, US, EEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e00028ad-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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